

Charter County of Wayne, Michigan

**Federal Awards
Supplemental Information
September 30, 2007**

Charter County of Wayne, Michigan

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Independent Auditor's Report

To the County Executive and
 County Commissioners
 Charter County of Wayne, Michigan

We have audited the financial statements that collectively comprise the Charter County of Wayne, Michigan's basic financial statements for the year ended September 30, 2007 and have issued our report thereon dated January 31, 2008, which includes a reference to the reports of other auditors. Those basic financial statements are the responsibility of the management of the Charter County of Wayne, Michigan. Our responsibility was to express opinions on those basic financial statements based on our audit.

We did not audit the financial statements of the Mental Health Fund, a major governmental fund, which represents 5.47 percent and 33.55 percent of the assets and revenues, respectively, of the governmental activities. We also did not audit the financial statements of the following entities, which represent the following percents of total aggregate discretely presented component unit assets and revenue:

	Percent of Assets	Percent of Revenue
Detroit-Wayne County Stadium Authority	15.35	1.37
Wayne County-Detroit Community Development Entity, Inc.	0.01	0.01
Greater Wayne County Economic Development Corporation	0.02	0.15
Metropolitan Growth and Development Corporation	0.03	0.03
HealthChoice of Michigan	0.13	1.79
Regional Jobs and Economic Growth Foundation	0.02	0.02
Development Corporation of Wayne County	0.06	0.33

We also did not audit the financial statements of the Pension Trust Funds, which represent 77.58 percent and 39.49 percent of the assets and revenues, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Mental Health Fund, the Detroit-Wayne County Stadium Authority, the Wayne County-Detroit Community Development Entity, Inc., the Greater Wayne County Economic Development Corporation, the Metropolitan Growth and Development Corporation, HealthChoice of Michigan, Regional Jobs and Economic Growth Foundation, the Development Corporation of Wayne County, and the Pension Trust Funds, are based on the reports of the other auditors.

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Detroit-Wayne County Stadium Authority, the Wayne County-Detroit Community Development Entity, Inc., the Greater Wayne County Economic Development Corporation, HealthChoice of Michigan, Regional Jobs and Economic Growth Foundation, the Development Corporation of Wayne County, and the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter County of Wayne, Michigan's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

January 31, 2008

Report on Internal Control Over Financial Reporting and on Compliance
 and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

To the County Executive and
 County Commissioners
 Charter County of Wayne, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter County of Wayne, Michigan as of and for the year ended September 30, 2007, which collectively comprise the Charter County of Wayne, Michigan's basic financial statements, and have issued our report thereon dated January 31, 2008, which includes a reference to the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Detroit-Wayne County Stadium Authority, the Wayne County-Detroit Community Development Entity, Inc., the Greater Wayne County Economic Development Corporation, HealthChoice of Michigan, Regional Jobs and Economic Growth Foundation, the Development Corporation of Wayne County, and the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*.

We did not audit the financial statements of the Mental Health Fund, a major governmental fund, which represents 5.47 percent and 33.55 percent of the assets and revenues, respectively, of the governmental activities. We also did not audit the financial statements of the following entities, which represent the following percents of total aggregate discretely presented component unit assets and revenue:

	Percent of Assets	Percent of Revenue
Detroit-Wayne County Stadium Authority	15.35	1.37
Wayne County-Detroit Community Development Entity, Inc.	0.01	0.01
Greater Wayne County Economic Development Corporation	0.02	0.15
Metropolitan Growth and Development Corporation	0.03	0.03
HealthChoice of Michigan	0.13	1.79
Regional Jobs and Economic Growth Foundation	0.02	0.02
Development Corporation of Wayne County	0.06	0.33

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

We also did not audit the financial statements of the Pension Trust Funds, which represent 77.58 percent and 39.49 percent of the assets and revenues, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Mental Health Fund, the Detroit-Wayne County Stadium Authority, the Wayne County-Detroit Community Development Entity, Inc., the Greater Wayne County Economic Development Corporation, the Metropolitan Growth and Development Corporation, HealthChoice of Michigan, Regional Jobs and Economic Growth Foundation, the Development Corporation of Wayne County, and the Pension Trust Funds, are based on the reports of the other auditors.

Our consideration of internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, grants, and other matters did not include the entities audited by the other auditors referred to in the previous paragraph. The findings, if any, of those other auditors are not included herein.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Charter County of Wayne, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter County of Wayne, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter County of Wayne, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls. We consider the control deficiencies described in the accompanying schedule of findings and questioned costs as items 2007-1, 2007-2, and 2007-3 to be significant deficiencies in internal control over financial reporting.

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe the deficiencies described in the schedule of findings and questioned costs as items 2007-1, 2007-2, and 2007-3 constitute material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter County of Wayne, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2007-4.

The Charter County of Wayne, Michigan's response to the significant deficiencies and findings relating to compliance and other matters identified in our audit and described in the accompanying schedule of findings and questioned costs has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to the audit committee in a separate letter dated January 31, 2008.

This report is intended solely for the information and use of management and others within the Charter County of Wayne, Michigan, officials of the State of Michigan, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 31, 2008

Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

Compliance

We have audited the compliance of the Charter County of Wayne, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2007. The major federal programs of the Charter County of Wayne, Michigan are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Charter County of Wayne, Michigan's management. Our responsibility is to express an opinion on the Charter County of Wayne, Michigan's compliance based on our audit.

The Charter County of Wayne, Michigan's basic financial statements include operations of the Mental Health Fund, which received \$5,326,063 in federal awards, the Wayne County Airport Authority component unit, which received \$72,174,902 in federal grants, and the Metropolitan Growth and Development Corporation, which received \$659,128 in federal grants, which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2007. Our audit, described below, did not include the operations of the Mental Health Fund and the Metropolitan Growth and Development Corporation because the Charter County of Wayne, Michigan engaged other auditors to perform audits in accordance with OMB Circular A-133. Our audit, described below, did not include the operations of the Wayne County Airport Authority because the Authority entered into a separate contract for audits in accordance with OMB-Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Charter County of Wayne, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Charter County of Wayne, Michigan's compliance with those requirements.

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

As described in items 2007-5 through 2007-10 in the accompanying schedule of findings and questioned costs, the Charter County of Wayne, Michigan did not comply with requirements regarding cash management for the Community Development Block Grant, Urban Area Security Initiative, and Homeland Security Grant Program; suspension and debarment for the Urban Area Security Initiative, Homeland Security Grant Program, and Justice Assistance Grant; program income for the Community Development Block Grant; reporting for Community Development Block Grant program; and subrecipient monitoring for Community Development Block Grant and Justice Assistance Grant. Compliance with such requirements is necessary, in our opinion, for the Charter County of Wayne, Michigan to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Charter County of Wayne, Michigan complied, in all material respects, with the requirements referred to above that are applicable to the Community Development Block Grant, Urban Area Security Initiative, Homeland Security Grant Program, and Justice Assistance Grant for the year ended September 30, 2007. Also, in our opinion, the Charter County of Wayne, Michigan complied, in all material respects, with the requirements that are referred to above that are applicable to Head Start, Title IV-D, VFC Vaccines and Immunizations, U.S. Department of Transportation, and Congressionally Mandated Projects (Rouge National Wet Weather Demonstration Project) programs for the year ended September 30, 2007.

Internal Control Over Compliance

The management of the Charter County of Wayne, Michigan is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Charter County of Wayne, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

To the County Executive and
County Commissioners
Charter County of Wayne, Michigan

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal controls. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-5 through 2007-10 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2007-5 through 2007-10 to be material weaknesses.

The Charter County of Wayne, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Charter County of Wayne, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the Charter County of Wayne, Michigan, officials of the State of Michigan, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 31, 2008

Charter County of Wayne, Michigan

Schedule of Expenditures of Federal Awards Year Ended September 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE:		
Direct Program -		
Summer Food Program for Children	10.558	\$ 190,126
Passed through State Department of Education:		
Child Nutrition Cluster - National School Breakfast (Note 2)	10.553	72,582
Child Nutrition Cluster - National School Lunch/Snack (Note 2)	10.555	133,813
Nutrition Services/Food Distribution (Note 2)	10.568	105,435
Passed through Senior Alliance (Area Agency on Aging) -		
Nutrition Services	10.550	730,644
Passed through State Department of Community Health -		
Special Supplemental Food	10.557	<u>1,976,821</u>
Total U.S. Department of Agriculture		3,209,421
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Direct Programs:		
Community Development Block Grant (Note 5)	14.218	6,708,470
Community Development Block Grant (Hamtramck Grand Haven -		
Section 108 Loan) (Note 5)	14.218	102,367
Community Development Block Grant (Hamtramck -		
Joseph Compeau Section 108 Loan) (Note 5)	14.218	99,241
Emergency Shelter Grant (McKinney Act for the Homeless)	14.231	239,464
Supplemental Assistance to the Homeless	14.235	175,689
Home Investment Partnership	14.239	1,585,181
EDI Special Projects Grant	14.251	587,321
Passed through the City of Taylor-		
Community Development Block Grant	14.218	<u>4,000</u>
Total U.S. Department of Housing and Urban Development		9,501,733

Charter County of Wayne, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE:		
Direct Programs:		
Federal Forfeited Property	16.000	\$ 1,642,811
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	16.203	86,815
Part E - Developing, Testing, and Demonstrating Promising New Programs	16.541	374,809
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	17,655
Community Prosecution Implementation	16.609	147,108
Passed through Michigan Department of Human Services:		
Prisoner Reentry Initiative Demonstration	16.202	10,375
Juvenile Accountability Incentive Block Grant	16.523	429,330
Passed through Michigan Department of Community Health:		
Crime Victim Assistance	16.575	866,346
Edward Byrne Memorial Formula Grant Program	16.579	58,460
Truant Net - Byrne Memorial Justice Assistance Grant	16.738	54,994
Operation Tide - Byrne Memorial Justice Assistance Grant	16.738	425,346
Edward Byrne Memorial Justice Assistance Grant Program	16.738	108,334
Byrne Memorial Justice Assistance Grant	16.738	318,999
Passed through State Office of Drug Control Policy:		
OWI Apprehension (Last Call)	16.579	221,227
Project Fresh Start	16.579	47,662
Operation Spotcheck - MDOC Parole Home Checks	16.579	300,893
Operation Reach	16.579	71,585
Missing Child Rescue	16.579	139,799
Law Enforcement	16.592	16,559
Technology	16.710	241,967
Justice Assistance Grant (JAG)	16.738	2,523,642
Passed through the City of Detroit -		
Encourage Arrests & Personal Protection Orders	16.590	33,489
Total U.S. Department of Justice		8,138,205

Charter County of Wayne, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:		
Passed through Michigan Department of Transportation:		
Highway Planning and Construction (Note 3)	20.205	\$ 1,820,161
Rouge Gateway Greenway Bicycle Path	20.205	880,327
Roadway Infrastructure Management System (RIMS)	20.205	496,840
Passed through City of Detroit -		
Detroit Department of Transportation	20.507	912,231
Passed through Michigan Department of State Police -		
Safety Belt Enforcement Task Force	20.600	56,960
Total U.S. Department of Transportation		4,166,519
U.S. ENVIRONMENTAL PROTECTION AGENCY:		
Direct Programs:		
Congressionally Mandated Projects	66.202	4,043,217
Lead Prevention	66.707	188,339
Brownfield Pilots Cooperative Agreements	66.811	79,740
Passed through Michigan Department of Health -		
Operator Certification Expense Reimbursement Grant	66.471	400
Passed through Michigan Department of Treasury -		
Downriver Sewage Disposal System (SRF)	66.458	314,867
Passed through Michigan Department of Environmental Quality -		
Great Lakes Beach Monitoring Program	66.472	3,895
Total U.S. Environmental Protection Agency		4,630,458
U.S. DEPARTMENT OF ENERGY:		
Passed through Michigan Department of Human Services -		
Weatherization Assistance Program	81.042	456,149
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY:		
Passed through Michigan Department of State Police -		
Disaster Grants	97.036	71,770

Charter County of Wayne, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:		
Passed through Local Universities -		
Federal Work Study - Prosecutor's Internship Program	84.033	\$ 48,287
Passed through Wayne County Regional Educational Service Agency:		
Part C Early On	84.181	153,812
Great Parent Great Start	84.359	16,600
Total U.S. Department of Education		218,699
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
Direct Programs:		
Substance Abuse and Mental Health Services Administration	93.243	207,492
Head Start	93.600	22,453,345
Child Support Demonstration/Special Projects	93.601	85,713
HRSA Infant Mortality	93.888	459,677
Passed through Area Agency on Aging:		
Aging Cluster - Senior Community Services Program	93.044	5,974
Aging Cluster - Nutrition Services	93.045	1,678,745
National Family Caregiver Support	93.052	14,830
Emergency Meal Grant	93.052	60,015
Passed through Michigan Department of Community Health:		
Bioterrorism Supplemental - Early Warning Infectious Disease	93.069	6,712
TB Control	93.116	48,413
Child Lead Poisoning	93.197	1,592
Family Planning Services	93.217	59,913
Infant Immunization Initiative	93.268	502,583
VFC Vaccines	93.268	5,923,909
Bioterrorism Supplemental Grant	93.283	811,613
Medical Assistance Program	93.778	41,375
Medicaid Outreach and Advocacy	93.778	123,234
Crippled Children	93.778	407,923
Medical Assistance Program	93.778	65,000
AIDS Counseling and Testing	93.940	199,966
Venereal Disease	93.977	93,010
Preventive Health and Health Services Block Grant	93.991	34,467
Maternal and Infant Care	93.994	494,793
Oral Health Dental	93.994	250
MIC-Maternal Support	93.994	364,496
Maternal and Child Health Services Block Grant	93.994	122,377

Charter County of Wayne, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued):		
Passed through Michigan Department of Human Services:		
Promoting Safe and Stable Families	93.556	\$ 200,000
Title IV-D	93.563	22,142,171
Child Support Enforcement	93.564	184,370
Low Income Home Energy Assistance	93.568	88,751
Foster Care Title IV-E	93.658	477,619
Passed through National Institute of Health -		
Wayne State University National Institute of Health (WSU/NIH) Grant	93.361	52,213
Passed through the State Court Administrative Office (SCAO) -		
Access and Visitation Grant	93.597	18,115
Total U.S. Department of Health and Human Services		57,430,656
U.S. DEPARTMENT OF HOMELAND SECURITY:		
Passed through the Michigan State Police:		
State Domestic Preparedness Equipment Support Program	97.004	195,894
Urban Area Security Initiative	97.008	2,883,022
Emergency Management Performance Grants	97.042	55,444
Homeland Security Grant Program	97.067	2,934,965
Total U.S. Department of Homeland Security		6,069,325
Total federal awards		<u><u>\$ 93,892,935</u></u>

Charter County of Wayne, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2007

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes certain federal grant activity of the Charter County of Wayne, Michigan (the "County") and is presented on the same basis of accounting as the basic financial statements. Additional federal grant activity is included in separately issued federal award audits prepared on behalf of the Wayne County Mental Health Fund, the Wayne County Airport Authority, and the Metropolitan Growth and Development Corporation. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Food Distribution Program

The Wayne County Youth Home receives funding for administration of commodities under the National School Lunch Program (NSLP). Reimbursements for administration of the program are reported in the schedule of expenditures of federal awards (CFDA Nos. 10.553 and 10.555). The value of the commodities received during the fiscal year was \$15,887. For the quarter ended September 30, 2007, the County did not request nor receive any commodities. The Emergency Food Assistance Program (TEFAP) also receives funding for administration of commodities. The program is reported on the schedule of expenditures of federal awards (CFDA No. 10.568). The value of commodities received during the fiscal year was \$200,926.

Note 3 - Highway Planning and Construction Program

The County participates in 29 separate road, street, and bridge construction and repair projects, which are primarily administered by the State of Michigan Department of Transportation. The projects, which are controlled by the State, are recorded in the County's general ledger and amounted to \$13,699,290. The federal financial assistance administered directly by the State has not been included in the tests of compliance with laws and regulations associated with the County's single audit.

Charter County of Wayne, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2007

Note 4 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

Federal Program Title	CFDA Number	Amount
		Provided to Subrecipients
Headstart	93.600	\$ 22,139,179
Congressionally Mandated Projects (WWDG)	66.202	4,043,134
Justice Assistance Grant (JAG)	17.738	2,116,305
Community Development Block Grant	14.218	6,256,025
CDBG - Hamtramck Section 108 Loan - Grand Haven	14.218	102,367
CDBG - Hamtramck Section 108 Loan - Joseph Campau	14.218	99,241
Home Investment Partnership	14.239	1,585,066

Note 5 - HUD Section 108 Loans

The U.S. Department of Housing and Urban Development (HUD) awarded Section 108 guaranteed loans to the City of Hamtramck in the aggregate amount of \$1,514,313 in fiscal year 2004. The loan represents pass-through funds from the County of Wayne to the City of Hamtramck for the purpose of housing and economic redevelopment. The City of Hamtramck also received \$650,000 in federal grant funding from the Brownfield Economic Development Initiative (BEDI) in fiscal year 2004. The City of Hamtramck was not eligible to apply directly to HUD for BEDI and Section 108 funding since the City of Hamtramck participates in the County of Wayne's HUD loan program for the purpose of receiving federal Community Development Block Grant (CDBG) funds. Consequently, the County of Wayne applied for, and was awarded, the funding. BEDI is designed to help cities redevelop abandoned, idled, or underutilized industrial and commercial facilities where redevelopment is complicated by real or perceived environmental contamination. A BEDI grant must be used in conjunction with a Section 108 guaranteed loan commitment. The BEDI grant activity is disclosed on the schedule of expenditures of federal awards under CDBG 14.218, and the CDBG housing portion received by the County of Wayne is disclosed on the schedule of expenditures of federal awards under CFDA 14.218.

The expenditures related to the Section 108 guaranteed loan activity are disclosed on the schedule of expenditures of federal awards under CFDA 14.218. Loan repayment commenced in 2005. Collateral for repayment of the funds includes future Community Development Block Grant entitlements due to the City of Hamtramck from HUD, passed through the Charter County of Wayne, Michigan.

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs Year Ended September 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section I - Summary of Auditor's Results (Continued)

Type of auditor's report issued on compliance for major programs (each major program listed separately):

CFDA Numbers	Name of Federal Program or Cluster	Opinion
14.218	Community Development Block Grant	Qualified
16.738	Justice Assistance Grant	Qualified
20.205	U.S. Department of Transportation - Highway Planning and Construction, Rouge Greenway Gateway Bicycle Path, and Roadside Infrastructure Management System	Unqualified
66.202	Congressionally Mandated Projects (WWDG)	Unqualified
93.600	Head Start	Unqualified
93.268	VFC Vaccines/Infant Immunization Initiative	Unqualified
93.563	Title IV-D Child Support Enforcement	Unqualified
97.067 and 97.004	Homeland Security Grant Program Cluster	Qualified
97.008	Urban Area Security Initiative	Qualified

Any audit findings disclosed that are required
to be reported in accordance with
Section 510(a) of Circular A-133?

☒ Yes ☐ No

Dollar threshold used to distinguish between type A and type B programs: \$2,816,788

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section II - Financial Statement Audit Findings

Reference Number	Findings
2007-1	<p>Information Technology Application Changes</p> <p>Finding Type - Material weakness/Significant deficiency (repeat finding)</p> <p>Criteria - Changes to programs should be made only by authorized staff after proper review.</p> <p>Condition - Segregation of duties does not exist between certain programmers and persons who develop program changes and those who move the changes to production. In addition, the review of changes to programming is not documented.</p> <p>Context - The County does not have adequate segregation of duties between programmers and those that move changes to production. In addition, the County adopted a comprehensive change management policy as noted below; however, documentation related to testing did not always exist even after this policy was adopted.</p> <p>Effect - Changes could be made to programs that are inappropriate. In addition, inappropriate changes may not be discovered in a timely manner.</p> <p>Cause - Procedures are not in place to segregate the programming code responsibility from production.</p> <p>Recommendation - The individuals who make program changes should not have the ability to promote program changes into the production environment. In addition, any program changes should have documentation of testing and review prior to the move to production.</p> <p>Views of Responsible Officials and Planned Corrective Actions - On January 26, 2007, the Department of Technology adopted a comprehensive change management policy. The policy addresses areas that ensure Wayne County's assets are protected against improper modification before, during, and after system implementation for system hardware, enterprise software, firmware, network, platform, and application modifications. In order to fully effect the new policy, the department will take additional steps to ensure that segregation of duties and documentation related to testing of programs is given more consideration in the future.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2007-2	<p>User Administration Process - Timely notification</p> <p>Finding Type - Material weakness/Significant deficiency (repeat finding)</p> <p>Criteria - The Department of Technology should be notified in a timely manner when a user is terminated so that access rights can be removed.</p> <p>Condition - The Department of Technology is not always notified in a timely manner, if at all, when a user is terminated.</p> <p>Context - If the other County departments are not making the Department of Technology aware when a user is terminated, the proper removal of access does not occur. While a new policy was enacted as noted below, our testing indicated that compliance with the new notification requirements was not consistent.</p> <p>Effect - Delays were noted between the date a user is terminated and the date that the Department of Technology was notified.</p> <p>Cause - The process for notifying the Department of Technology when a user is terminated is initiated by individual managers rather than a centralized authority, such as human resources.</p> <p>Recommendation - Management should enforce or redesign the current user administration policy so that notification of user termination is initiated by a central authority. This would ensure that IT is notified promptly when a user is terminated.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Department of Human Resources issued a policy/procedure statement on March 13, 2007. All departments are required to notify the Department of Technology when an employee is (1) separated for any reason, (2) transfers/promotes to a different County department, or (3) has any other change in status which impacts their computer access cards and/or County technology equipment. All of these forms are available on the intranet and access is described in the policy/procedure statement. The Department of Technology has implemented a procedure in which users that have not signed onto the system for more than 30 days are disabled from signing on until a service request is approved, and after 90 days, users are deleted. The Department of Human Resources will take additional steps to ensure the new notification policy noted above is consistently followed.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2007-3	<p>Bank Reconciliations</p> <p>Finding Type - Material weakness/Significant deficiency (repeat finding)</p> <p>Criteria - All bank accounts should be fully reconciled on a monthly basis.</p> <p>Condition - While the County prepared timely bank reconciliations throughout the year, there was a material unreconciled difference of approximately \$4,000,000 between the treasurer's RESIQ2 system and the bank balance.</p> <p>Context - Monthly bank reconciliations were performed; however, there were material differences that were not corrected in a timely manner. As of September 30, 2007, the difference was resolved.</p> <p>Effect - Bank accounts that are not fully reconciled on a monthly basis are more susceptible to errors or irregularities that are not discovered in the normal course of business.</p> <p>Cause - The County determined the difference was the result of the treatment of voided checks as well as a voided wire transfer that were not properly reflected in the County's general ledger.</p> <p>Recommendation - The County needs to implement procedures to ensure that all reconciling items are identified and resolved in a timely manner.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The treasurer's department had consistently had a number of vacant accountant positions, which had hampered its ability to complete bank reconciliations on a timely basis. The differences have now been resolved and the accounting records have been appropriately adjusted. The accounts payable/cash management division will issue a policy/procedure statement to address the timely treatment of voided and purged items in the County's and the treasurer's books and records, and the reconciliation process to the bank statements.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2007-4	<p>Revenue Sharing Reserve Fund</p> <p>Finding Type - Noncompliance (repeat finding)</p> <p>Criteria - The County transferred more out of the Revenue Sharing Reserve Fund than its allowable spending limit, as determined by the State.</p> <p>Condition - In 2004, the State of Michigan enacted Public Act 357, which requires a gradual shift of the County property tax levies from winter to summer as a substitute funding mechanism to state revenue sharing. In 2005, the first year of the Act, the County recorded a transfer of one-third of the December 2004 levy for taxes from the General Fund to the newly created Revenue Sharing Reserve Fund. To replace the revenue-sharing payments suspended by the State, the Act allows for a portion of these taxes to be transferred back to the General Fund each year. For the year ended September 30, 2005, the County transferred \$18,943,677 in excess of its allowable spending to the General Fund.</p> <p>Effect - The transfer of additional funds does not impact total available funds over the life of the Revenue Sharing Reserve Fund, but it does represent excess spending for the year ended September 30, 2005, which is a violation of the Act.</p> <p>Cause - The County transferred funds it believed were available to it to replace the suspended revenue-sharing payments.</p> <p>Recommendation - The County should limit future transfers to the amount allowed, as determined by the State.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Due to the proper application of generally accepted accounting principles, the implementation of Public Act 357 created an unanticipated revenue shortfall for the County. Prior to making the additional transfer in fiscal year 2005, the County notified the State that it would be transferring an amount in excess of the allowable spending in order to cover this shortfall. In fiscal years 2006 and 2007, the County only transferred the allowable spending amount. The County intends to limit future transfers to the amount allowed, as determined by the State. This transfer of additional funds does not impact total available funds over the life of the Revenue Sharing Reserve Fund, the use of which is expected to sunset in fiscal year 2009.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings

Reference Number	Findings
2007-5	<p>Program Name - Justice Assistance Grant, CFDA# 16.738, 2005, and 2006 award, U.S. Department of Justice grant</p> <p>Pass-through Entity - State Office of Drug Control Policy</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency</p> <p>Criteria - OMB Circular A-133 requires subrecipient monitoring of pass-through entities to ensure the entities are complying with the applicable compliance requirements. In addition, County policies require periodic on-site monitoring of subrecipients.</p> <p>Condition - The County did not perform any on-site visits during the current year. The County does desk monitor allowable costs and cash management upon receipt of the voucher reimbursement requests.</p> <p>Questioned Costs - None</p> <p>Context - The County monitored its subrecipients' compliance with two of the required compliance categories through desk review of the voucher reimbursement requests. The County did not perform any on-site visits during the current year; therefore, the County was unable to perform required monitoring over the procurement, suspension and debarment, equipment and real property management, and special tests and provisions compliance requirements.</p> <p>Cause and Effect - Internal control procedures over subrecipient monitoring did not operate effectively as on-site monitoring visits were not completed during the current year. Inadequate monitoring of subrecipients could cause funds to be disbursed to subrecipients who are not in compliance with program terms and agreements.</p> <p>Recommendation - Internal control procedures should be enforced to ensure that the appropriate on-site monitoring of subrecipients is completed annually.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Department of Management and Budget, Division of Grants and Contracts Management will work with the Sheriff's Director of Grants Administration to develop a checklist for on-site monitoring. Monitoring will begin in February 2008 and it is projected that all subrecipient communities will be monitored by September 30, 2008.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-6	<p>Program Name - Community Development Block Grant, CFDA #14.218, 2007 award, U.S. Department of Housing and Urban Development Grant</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency (repeat finding)</p> <p>Criteria - OMB Circular A-133 requires subrecipient monitoring of pass-through entities to ensure the entities are complying with the applicable compliance requirements. In addition, County policies require periodic on-site monitoring of subrecipients on a three-year cycle.</p> <p>Condition - The County performed three on-site visits during the current year, which is fewer than the 13 necessary to meet the County policy. The County does desk monitor several of the required compliance requirements upon receipt of the application and voucher reimbursement requests.</p> <p>Questioned Costs - None</p> <p>Context - The County monitored its subrecipients' compliance with several compliance categories through review of the application and voucher reimbursement request. The County did not perform sufficient on-site visits during the current year; therefore, the County was unable to perform required monitoring related to procurement, suspension and debarment, equipment and real property management, and rehabilitation compliance requirements.</p> <p>Cause and Effect - Internal control procedures over subrecipient monitoring did not operate effectively as sufficient on-site monitoring visits were not completed during the current year. Inadequate monitoring of subrecipients could cause funds to be disbursed to subrecipients who are not compliant with program terms and agreements.</p> <p>Recommendation - Internal control procedures should be enforced to ensure that the appropriate on-site monitoring of subrecipients is completed annually.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Community Development (CD) Division proposes to amend the policy for subrecipient monitoring to reflect a risk-based approach rather than the previous three-year rotational basis. Risk will be assessed based on the number, size, history, and complexity of the awards. As an alternative to onsite monitoring, the CD Division will perform desk reviews on selected subrecipients with lesser risk. The desk review will require subrecipients to provide documentation that addresses procurement, suspension and debarment, equipment and real property management, and rehabilitation compliance requirements.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-7	<p>Program Name - Community Development Block Grant, CFDA #14.218, 2007 award, U.S. Department of Housing and Urban Development Grant</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency (repeat finding)</p> <p>Criteria - OMB Circular A-133 and Circular A-87 require the County to ensure that reimbursement requests are submitted net of program income received. In addition, the Circulars indicate that in reimbursement situations, drawdown requests must be for immediate needs. These provisions require the County's subrecipient entities to follow the same guidelines for submitting reimbursement requests net of program income.</p> <p>Condition - The County allows its subrecipients to manage their program income funds and requires them to submit quarterly reports related to income and expenses from program income. During the year, the County initiated a process requiring subrecipients to include vouchers with the quarterly program income reports to ensure that the expenditures are properly netted with appropriate program income. However, this process was not implemented during the year.</p> <p>Questioned Costs - Unknown</p> <p>Context - The County approves subrecipient vouchers that are not appropriately netted with the subrecipient's program income. Total unspent program income at September 30, 2007 was \$260,581 per the quarterly income information provided by the subrecipients.</p> <p>Cause and Effect - The County does obtain quarterly program income information from the subrecipients; however, the program income is not offset against the voucher request. The County has no internal control procedures over this activity, which could result in the improper drawdown of grant monies for needs that were not immediate.</p> <p>Recommendation - The County should implement internal control procedures to ensure that all subrecipient vouchers appropriately net program income in determining the reimbursement amount. Additionally, the County should ensure that the subrecipient includes the unspent program income in the next voucher to appropriately utilize that income to cover the subrecipient's immediate needs.</p> <p>Views of Responsible Officials and Planned Corrective Actions - On September 4, 2007, the Department of Management and Budget filled the position of finance director for the Department of Economic and Neighborhood Development (DEND). As a control procedure, the finance director, on a regular basis, will oversee the account clerk's program income report reviews. The finance director will approve the drawdowns and will ensure that the program income is netted against total expenditures before subrecipient reimbursement.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-8	<p>Program Name - Community Development Block Grant, CFDA #14.218, 2007 award, U.S. Department of Housing and Urban Development Grant</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency</p> <p>Criteria - OMB Circular A-133 requires reporting of all expenditures from federal sources on the schedule of expenditures of federal awards (SEFA). In addition, these expenditures should be supported by the general ledger.</p> <p>Condition - The County allows its subrecipients to manage their program income funds, including related expenditures. The County does not currently have a system in place to ensure the expenditures from program income funds are included in the County's general ledger and SEFA.</p> <p>Questioned Costs - None</p> <p>Context - In response to the finding, the County calculated current year expenditures from program income to be \$452,411 and adjusted the SEFA accordingly.</p> <p>Cause and Effect - The County allows its subrecipients to manage their program income funds; however, the County maintains ultimate responsibility for these funds. The County reviews the subrecipient's expenditures from program income to ensure the activities and costs are allowable and reports the program income and related expenditures on its Comprehensive Annual Performance Report (CAPR) to HUD annually. The County excluded expenditures from program income in the amount of \$452,411 from its general ledger and SEFA for the year ended September 30, 2007.</p> <p>Recommendation - The County should ensure all expenditures of federal awards are appropriately recorded in the general ledger and reported in the SEFA.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The program staff for the CD Division has been made aware that periodic adjustments need to be made on the County's general ledger to record both program income and federal expenditures. The Division of Grants and Contracts management will ensure, through the grant monitoring/reconciliation process, that the entry is made.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-9	<p>Program Name - State Police Roadside Infrastructure Management System, CFDA #20.205, U.S. Department of Transportation Justice Assistance Grant, CFDA #16.738, 2005 and 2006 award, U.S. Department of Justice grant Urban Area Security Initiative, CFDA #97.008, 2004 award, U.S. Department of Homeland Security grant Homeland Security Cluster: Homeland Security Program, CFDA #97.067, 2005 award, U.S. Department of Homeland Security grant State Domestic Preparedness Equipment Support Program, CFDA #97.004, U.S. Department of Homeland Security grant</p> <p>Pass-through Entity - Urban Area Security Initiative and Homeland Security Program - passed through the Michigan State Police; Justice Assistance Grant - passed through the State Office of Drug Control Policy, Roadside Infrastructure Management System - Michigan Department of Transportation</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency</p> <p>Criteria - A-102 Common Rule requires that for contracts and subawards greater than \$25,000, the required suspension and debarment certifications are received.</p> <p>Condition - For these particular grants, the required suspension and debarment certifications were not received for any contracts or subawards entered into during the year ended September 30, 2007.</p> <p>Questioned Costs - None</p> <p>Context - The County did not receive the required suspension and debarment certifications when the County entered into contracts or subawards for goods or services greater than \$25,000. Subsequently, program personnel have confirmed that none of the current contractors were listed on the Government Services Administration electronic database as being debarred or suspended.</p> <p>Cause and Effect - Internal control procedures over suspension and debarment requirements did not operate effectively as required compliance requirements were not addressed and adequately documented. Inadequate monitoring of suspension and debarment could cause funds to be disbursed to vendors or subrecipients who are not eligible to have goods or services purchased with federal monies.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-9 (Continued)	<p>Recommendation - Internal control procedures should be initiated and enforced to ensure that the appropriate suspension and debarment certifications are received.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Department of Management and Budget, Division of Grants and Contracts Management has a written "Draft" policy titled "Federal Grants - Debarment and Suspension" to address compliance with the debarment and suspension requirement. Subsequently, program personnel have confirmed that none of the current contractors were listed on the Government Services Administration electronic database as being debarred or suspended. All grant awards must receive approval by the Division of Grants and Contracts Management and immediately, as part of this process, the contracts will be reviewed for compliance with the requirement.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-10	<p>Program Name - Urban Area Security Initiative, CFDA #97.008, 2004 award, U.S. Department of Homeland Security grant Homeland Security Cluster: Homeland Security Program, CFDA #97.067, 2005 award, U.S. Department of Homeland Security grant State Domestic Preparedness Equipment Support Program, CFDA #97.004, U.S. Department of Homeland Security grant</p> <p>Pass-through Entity - Michigan State Police</p> <p>Finding Type - Material noncompliance/Material weakness/Significant deficiency</p> <p>Criteria - OMB Circular A-133 and Circular A-87 require the County to ensure that reimbursement requests are submitted after underlying costs are paid, as reimbursement requests must be for immediate needs.</p> <p>Condition - The County submitted duplicate reimbursement requests to the Michigan State Police for invoices totaling \$43,887 for Urban Area Security Initiative and \$360,497 for State Homeland Security Program.</p> <p>Questioned Costs - Urban Area Security Initiative \$43,887; State Homeland Security Program \$360,497</p> <p>Context - The County was not reconciling the general ledger prior to submitting reimbursement requests, which resulted in duplicate reimbursement requests being submitted during the year ended September 30, 2007.</p> <p>Cause and Effect - Internal control procedures over cash management and reporting did not operate effectively as draw-down requests were not limited to immediate needs. Inadequate monitoring of draw-down requests and reconciliation of costs to the general ledger could cause funds to be drawn down multiple times or funds to be improperly excluded from draw requests.</p> <p>Recommendation - Internal control procedures should be initiated and enforced to ensure that appropriate reconciliations to the general ledger are performed in conjunction with submission of reimbursement requests.</p>

Charter County of Wayne, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2007

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2007-10 (Continued)	<p>Views of Responsible Officials and Planned Corrective Actions - While the County requested reimbursement for invoices that had already been submitted for reimbursement in past periods, the County has other eligible costs that were incurred during the grant period that they believe are allowable. These costs are \$363,826 for the Homeland Security grant programs and would offset the duplicate billings of \$360,497.</p> <p>Management and Budget, Division of Grants and Contracts management met with Homeland Security program staff on January 28 and 29 for training on the preparation of an electronic spreadsheet that will track expenditures from the general ledger to the appropriate grant for billing purposes. At this time, the duplicate billings will be reviewed to determine which were reimbursed and subsequently the County's billings will be adjusted. Unbilled allowable expenditures will subsequently be billed for reimbursement.</p>